



WASHINGTON STATE LIQUOR CONTROL BOARD

Notice of Rule Change Beer and Wine Price Postings

The Washington State Liquor Control Board has adopted changes to rules regarding beer and wine price postings.

The Administrative Procedure Act (RCW 34.05.325) requires agencies to complete a "concise explanatory statement" before filing adopted rules with the Office of the Code Reviser. This statement must be provided to anyone who gave comment about the proposed rule making.

Once persons who gave comment during this rule making have had a chance to receive this document, the Liquor Control Board will file the amended rule with the Office of the Code Reviser, and it will become effective 31 days later (approximately October 10, 2004).

The Liquor Control Board appreciates your involvement in this rule making process. If you have any questions, please contact Teresa Berntsen, Rules Coordinator, at 360-664-1648 (or e-mail at rules@liq.wa.gov).

What are the agency's reasons for revising this rule?

Agency-request legislation ESB 6737 passed during the 2004 session and took effect March 31, 2004. This revised law states that, because price postings are investigative documents, they are considered confidential information and are not subject to public disclosure until the prices become effective. (State law requires that suppliers post the prices of beer and wine sold to distributors, and that distributors post the prices of beer and wine sold to retailers. These prices are posted on a Web site administered by the LCB. Before this law change other suppliers and distributors could view the prices as soon as they were posted.)

The changes to WAC 314-20-100, 314-20-105, 314-24-190, and 314-24-200:

- Implement ESB 6737 by deleting references to price postings being open to inspection at all times.
- Take out redundancies with the guiding law (RCW 66.28.180).
- Combine the two wine posting rules into one rule and the two beer posting rules into one rule.
- Simplify language.

September 2, 2004

To request this notice in an alternative format or to request other accommodation to participate, please call 360-664-1600 or AT&T's TTY relay service at 1-800-855-2880.

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| DEFENDANT'S EXHIBIT |
| CASE NO. C04-0360P |
| EXHIBIT NO. 569 |

Resp to Costco RFP
4554

TX569-001

Summary of all public comments received regarding the proposed rules, by subject matter. How do the final rules reflect the agency's consideration of these comments, or why does it fail to do so?

- 1. Comment:** It would be useful to get the filing deadlines under 30 days, which would allow the market to respond to competitive pricing moves within a month rather than two months.

Agency's response: The agency kept the current filing deadlines in the revised rules.

Supplier price postings must be received by the twenty-fifth day of the month, to become effective on the first day of the second month (about 35 days lead time). Distributor price postings must be received by the tenth day of the month, to become effective on the first day of the next month following (about 20 days lead time). This lead time allows suppliers and distributors time to correct errors and omissions, and the agency time to review the price postings for compliance with laws and rules.